

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

D-1 JOSEPH DESANTO, and

D-2 ANTHONY SERENO,

Defendants.

Case:4:18-cr-20268

Judge: Parker, Linda V.

MJ: Davis, Stephanie Dawkins

Filed: 04-18-2018 At 02:53 PM

INDI USA v DESANTO (sk)

INDICTMENT

The Grand Jury in and for the Eastern District of Michigan charges that:

Introduction

At all times relevant to this Indictment:

Defendants and Entities

1. Entity A was a limited liability company operating in Florida and Michigan, in the business of collecting automobile crash victim information from police reports, some of which were stolen. In exchange for substantial fees, Entity A solicited the crash victims and referred them to chiropractors, health care providers, and personal injury lawyers.

2. Entity B was a limited liability company operating in Florida and Michigan, in the business of collecting automobile crash victim information from police reports, some of which were stolen. In exchange for substantial fees, Entity B solicited the crash victims and referred them to chiropractors, health care providers, and personal injury lawyers.

3. Entity C was a limited liability company operating in Southfield, Michigan that provided management services to chiropractors and healthcare providers in Michigan.

4. Entity D was a limited liability company operating in Southfield, Michigan that provided management services to chiropractors and healthcare providers in Michigan.

5. Integrated HCS Practice Management, L.L.C. ("Integrated Management") was a limited liability company operating in Southfield, Michigan. Integrated Management was an entity that purported to provide management services to chiropractors and healthcare providers.

6. B Abell, Inc., also known as Abell Corp. ("B Abell, Inc."), was a corporation operating in Coconut Creek, Florida, Southfield, Michigan, and Flint, Michigan. B Abell, Inc. was an entity that provided telephone and in-person solicitation services for personal injury lawyers, chiropractors, and healthcare providers.

7. USA Direct, L.L.C., doing business as 855-Painline ("USA Direct"), was a limited liability company operating in Flint, Michigan. USA Direct was an entity that provided telephone and in-person solicitation services for personal injury lawyers, chiropractors, and healthcare providers.

8. Defendant JOSEPH DESANTO, a resident of Boca Raton, Florida, was a silent partner in Entity C. Defendant JOSEPH DESANTO was in charge of Entity A, Entity B, and Integrated Management, and exercised control over those companies' finances.

9. Defendant ANTHONY SERENO, a resident of Summit, New Jersey and Detroit and Metamora, Michigan, worked for Entity A and Entity B, and owned and operated USA Direct.

10. INDIVIDUAL A, a resident of Flint, Michigan, worked for the City of Flint Police Department ("Flint Police Department") from 1996 to 2011 as a police officer and was employed by USA Direct and B Abell, Inc. from 2011 to 2013.

11. INDIVIDUAL B, a resident of Davison, Michigan, worked as a police officer for, and by virtue of his position, was an agent of, the Flint Police Department from 1989 to 2011.

12. INDIVIDUAL C was a resident of Flint, Michigan and worked as a police officer for, and by virtue of his position, was an agent of, the Flint Police Department from 1998 to 2018.

13. INDIVIDUAL D, a resident of Miami and Coconut Creek, Florida and Front Royal, Virginia, worked for Entity A and Entity B and owned and operated B Abell, Inc.

14. The Flint Police Department was an agency of a local government that received benefits in excess of \$10,000 a year under a federal program involving federal assistance, including federal grants from the United States Department of Justice, during each fiscal year from October 1, 2010 through September 30, 2015.

The Scheme to Generate Referral Fees Based on Stolen Police Reports

15. Defendants JOSEPH DESANTO and ANTHONY SERENO, and others, both known and unknown to the grand jury, together with their co-conspirators, agreed to obtain UD-10E State of Michigan Traffic Crash Reports ("Police Reports") through unlawful means. Defendants, together with their co-conspirators, used the personal

identifying information of crash victims listed on the Police Reports to solicit those crash victims and refer them for treatment at certain medical and chiropractic facilities and to hire certain personal injury attorneys. Defendants billed participating medical and chiropractic facilities for the crash victim referrals. Defendants caused medical management companies to pay invoices for patient referrals on behalf of the participating medical and chiropractic facilities.

16. Beginning in or about June 2011 and continuing to in or about December 2013, Defendant ANTHONY SERENO and INDIVIDUAL D, through their companies, USA Direct and B Abell, Inc., and at the direction of Defendant JOSEPH DESANTO, knowingly obtained stolen Police Reports from INDIVIDUAL A. INDIVIDUAL A obtained the stolen Police Reports from INDIVIDUAL B and INDIVIDUAL C.

17. Defendant ANTHONY SERENO and INDIVIDUAL D, together with others known and unknown to the grand jury, converted the information from the stolen Police Reports into summaries containing information regarding the crash victims and their automobile crashes, which they provided to Entity A and Entity B.

18. Workers at Entity A and Entity B's call center in Boca Raton, Florida used the information contained in the summaries to solicit crash victims.

19. After making contact, Entity A and Entity B sent "runners" to visit crash victims at their residences to schedule them for medical and legal services.

20. Crash victims visited chiropractors and medical practitioners and received treatment, generating fees for the chiropractors and medical practitioners. The personal injury lawyers obtained fees from their representation of the crash victims.

21. Defendant JOSEPH DESANTO generated, and caused to be generated, invoices charging referral fees to medical facilities to which Entity A and Entity B referred patients. Between 2011 and 2013, Defendant JOSEPH DESANTO, Entity A, and Entity B received substantial referral fees based, in part, on referrals generated using stolen police reports.

22. To continue the scheme, Defendant JOSEPH DESANTO directed the use of a portion of the substantial referral fees received to fund the purchase of additional stolen police reports.

COUNT 1

18 U.S.C. § 371

Conspiracy to Commit Theft from an Organization Receiving Federal Funds

D-1 JOSEPH DESANTO
D-2 ANTHONY SERENO

23. The factual allegations contained in Paragraphs 1 through 22 of this Indictment are re-alleged and incorporated herein as if copied verbatim.

24. From in or about January 2011 to in or about December 2013, in Genesee County in the Eastern District of Michigan, and elsewhere, Defendants JOSEPH DESANTO, ANTHONY SERENO, and others, both known and unknown to the grand jury, did knowingly and unlawfully combine, conspire, confederate, and agree between and among themselves to engage in a continuous scheme or plan to embezzle, steal, obtain by fraud, misapply, and without authority knowingly convert to the use of persons other than the rightful owner property with an aggregate value of \$5,000 or more in each year, to wit Police Reports, under the care, custody and control of the Flint Police Department, during which time INDIVIDUAL B and INDIVIDUAL C were agents of the

Flint Police Department, an agency of a local government that received, in each one year period from January 2011 to December 2013, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, guarantee, insurance, or other form of Federal assistance, in violation of 18 U.S.C. § 666(a)(1)(A).

Purpose of the Conspiracy

25. It was a purpose and object of the conspiracy for Defendants JOSEPH DESANTO and ANTHONY SERENO, and others known and unknown to the grand jury, to unlawfully enrich themselves by, among other things, executing the relevant scheme described by; (a) obtaining personal identifying information of crash victims listed on the Police Reports; (b) soliciting those crash victims and referring them for treatment at certain medical and chiropractic facilities and for legal services from certain personal injury attorneys; and (c) receiving fees paid by the participating medical and chiropractic facilities in exchange for patient referrals.

Overt Acts

In furtherance of the conspiracy, and to accomplish its purposes and objects, at least one of the conspirators committed, or caused to be committed, in the Eastern District of Michigan, the following overt acts, among others:

26. From in or about June 2011 through in or about December 2013, Defendant JOSEPH DESANTO directed, and caused to be made, check deposits and wire transfers of funds into B Abell, Inc. and USA Direct bank accounts from Entity A and Entity B bank accounts. Defendant JOSEPH DESANTO intended the funds from those checks and wire transfers to be used by Defendant ANTHONY SERENO and

others to, among other things, pay to obtain Police Reports stolen by agents of the Flint Police Department.

27. From in or about June 2011 through in or about November 2012, INDIVIDUAL D directed funds from B. Abell, Inc. bank accounts into a JP Morgan Chase bank account held in the name of and controlled by INDIVIDUAL A, to be used by INDIVIDUAL A to pay for Police Reports stolen by agents of the Flint Police Department.

28. From in or about November 2012 through in or about December 2013, Defendant ANTHONY SERENO, with the assistance of others known and unknown to the grand jury, directed funds from USA Direct bank accounts into a JP Morgan Chase bank account held in the name of and controlled by INDIVIDUAL A, to be used by INDIVIDUAL A to pay for Police Reports stolen by agents of the Flint Police Department.

29. On or about the dates shown in the chart below, among others, after the individuals shown in the chart below electronically deposited or caused to be electronically deposited into a JP Morgan Chase bank account held in the name of and controlled by INDIVIDUAL A funds to be used by INDIVIDUAL A to purchase Police Reports, INDIVIDUAL A paid cash in the approximate amount listed below for the below-listed number of Police Reports from INDIVIDUAL B and INDIVIDUAL C in exchange for their combined acts to knowingly embezzle, steal, and obtain by fraud or otherwise without authority convert Police Reports to their own use and the use of any persons who were not the rightful owners, many of which Police Reports bore a

watermark reading "Unapproved Report" or "Incomplete" indicating they were not publicly available and were exclusively the property of the Flint Police Department:

Overt Act	Individual Causing Deposit into INDIVIDUAL A's Bank Account	Approximate Date of Purchase	Approximate Amount Paid by INDIVIDUAL A	Approximate Number of Stolen Police Reports
A.	INDIVIDUAL D	May 7, 2012	\$598	46 Police Reports
B.	INDIVIDUAL D	May 11, 2012	\$390	30 Police Reports
C.	INDIVIDUAL D	May 15, 2012	\$520	40 Police Reports
D.	INDIVIDUAL D	July 24, 2012	\$611	47 Police Reports
E.	INDIVIDUAL D	July 26, 2012	\$299	23 Police Reports
F.	INDIVIDUAL D	July 30, 2012	\$260	20 Police Reports
G.	D-2 ANTHONY SERENO	January 15, 2013	\$416	32 Police Reports
H.	D-2 ANTHONY SERENO	January 22, 2013	\$416	32 Police Reports
I.	D-2 ANTHONY SERENO	January 25, 2013	\$429	33 Police Reports
J.	D-2 ANTHONY SERENO	January 29, 2013	\$351	27 Police Reports
K.	D-2 ANTHONY SERENO	February 4, 2013	\$650	50 Police Reports
L.	D-2 ANTHONY SERENO	February 7, 2013	\$442	34 Police Reports
M.	D-2 ANTHONY SERENO	February 13, 2013	\$390	30 Police Reports
N.	D-2 ANTHONY SERENO	March 11, 2013	\$260	20 Police Reports
O.	D-2 ANTHONY SERENO	March 14, 2013	\$247	19 Police Reports
P.	D-2 ANTHONY SERENO	March 17, 2013	\$208	16 Police Reports
Q.	D-2 ANTHONY SERENO	March 18, 2013	\$208	16 Police Reports
R.	D-2 ANTHONY SERENO	March 20, 2013	\$234	18 Police Reports

Overt Act	Individual Causing Deposit into INDIVIDUAL A's Bank Account	Approximate Date of Purchase	Approximate Amount Paid by INDIVIDUAL A	Approximate Number of Stolen Police Reports
S.	D-2 ANTHONY SERENO	March 25, 2013	\$260	20 Police Reports
T.	D-2 ANTHONY SERENO	April 3, 2013	\$247	19 Police Reports
U.	D-2 ANTHONY SERENO	April 9, 2013	\$234	18 Police Reports
V.	D-2 ANTHONY SERENO	April 18, 2013	\$299	23 Police Reports
W.	D-2 ANTHONY SERENO	April 23, 2013	\$143	11 Police Reports
X.	D-2 ANTHONY SERENO	April 25, 2013	\$221	17 Police Reports

All in violation of Title 18, United States Code, Section 371.

COUNT 2

18 U.S.C. § 666(a)(1)(A)

Theft from an Organization Receiving Federal Funds

D-1 JOSEPH DESANTO
D-2 ANTHONY SERENO

30. The factual allegations contained in Paragraphs 1 through 22 and 25 through 29 of this Indictment are re-alleged and incorporated herein as if copied verbatim.

31. From in or about September 30, 2012, through in or about September 30, 2013, in Genesee County in the Eastern District of Michigan and elsewhere, the Defendants, JOSEPH DESANTO and ANTHONY SERENO, aided and abetted INDIVIDUAL C, together with others known and unknown to the grand jury, during which time INDIVIDUAL C was an agent of the Flint Police Department, an agency of a local government that received in the one year period ending September 30, 2013 benefits in excess of \$10,000 under a Federal program involving a grant, contract,

subsidy, guarantee, insurance, or other form of Federal assistance, in engaging in a continuous scheme or plan to embezzle, steal, obtain by fraud, and otherwise without authority knowingly convert to the use of any person other than the rightful owner, and knowingly misapply, property valued at more than \$5,000, in aggregate value and owned by and under the care and custody and control of the Flint Police Department, to wit Police Reports.

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

THIS IS A TRUE BILL.

Date: April 18, 2018

s/GRAND JURY FOREPERSON

s/MARK McDONALD
MARK McDONALD
DOJ Trial Attorney
U.S. Department of Justice, Tax Division

s/ROSEMARY E. PAGUNI
ROSEMARY E. PAGUNI
Chief, Northern Criminal Enforcement Section
U.S. Department of Justice, Tax Division

Companion Case information MUST be completed byUnited States District Court
Eastern District of Michigan**Criminal Case C**

Case:4:18-cr-20268

Judge: Parker, Linda V.

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INDI USA v DESANTO (sk)

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to c. accurately in all respects.

Companion Case Information	Companion Case Number: 4:18-CR-20086
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	AUSA's Initials: MSM

Case Title: USA v. Joseph DeSanto and Anthony Sereno**County where offense occurred :** Genesee**Check One:** ☒ **Felony** ☐ **Misdemeanor** ☐ **Petty**

☒ Indictment/____ Information — **no prior complaint.**
☐ Indictment/____ Information — **based upon prior complaint [Case number: _____]**
☐ Indictment/____ Information — **based upon LCrR 57.10 (d) [Complete Superseding section below].**

Superseding Case Information**Superseding to Case No:** _____ **Judge:** _____

- ☐ Original case was terminated; no additional charges or defendants.
☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:

Defendant name**Charges****Prior Complaint (if applicable)****Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.**April 18, 2018

Date

s/MARK McDONALD

Mark McDonald
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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.